

**Meeting of the
Board of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia**

September 14, 2010

Minutes

Present:

Monroe E. Harris, Jr., D.M.D.
(Chair)
Joseph W. Boatwright, III, M.D.
Patsy Ann Hobson
Kay C. Horney
Barbara H. Klear
William L. Murray, Ph.D.
John C. Napolitano
Michael Walker

Absent:

Phyllis L. Cothran
J. Mott Robertson, Jr., M.D.
Ashley L. Taylor, Jr.

DMAS Staff:

Cheryl J. Roberts, Deputy Director of Operations
Elizabeth McDonald, Legal Counsel
Seta Vandegrift, Budget Director
Craig Markva, Manager, Office of Communications &
Legislative Affairs
Nancy Malczewski, Public Information Officer, Office of
Communications & Legislative Affairs
Mamie White, Public Relations Specialist, Office of
Communications & Legislative Affairs

Speakers:

Gregg A. Pane, M.D., M.P.A., Director
Scott Crawford, Deputy Director of Finance and Administration
Daniel Plain, Smiles for Children Program Manager
Leah D. Walker, Maximizing Enrollment for Kids Grants
Manager, Maternal & Child Health Division

Guests:

The Honorable William "Bill" A. Hazel, Jr., M.D.
W. Scott Johnson, HDJN
Hobart Harvey, Virginia Health Care Association
Joe Flores, Senate Finance Committee Staff
Gayle Sliflu, Pfizer
Anne Rider, Pfizer

Call to Order

Dr. Monroe E. Harris, Chair of the Board, called the meeting to order at 10:15 a.m. after a quorum was met. The Chair welcomed and introduced Dr. Gregg A. Pane, appointed as Medicaid Director in August. Dr. Harris noted that a letter would be sent to Dr. Voogt thanking him for his service to the Board.

Dr. Harris asked the other Board members to introduce themselves and the introductions continued around the room by DMAS staff and guests. The Chair welcomed recently appointed members, Joseph W. Boatwright, III, M.D., and John C. Napolitano.

Dr. Harris recognized and introduced the Secretary of Health and Human Resources, William A. Hazel, Jr., MD. Dr. Hazel also welcomed Dr. Pane and then shared highlights of his vision for the future of Medicaid.

Approval of Minutes from June 8, 2010 Meeting

Dr. Harris asked that the Board review and approve the Minutes from the June 8, 2010 meeting. Dr. Boatwright made a motion to accept the minutes and Ms. Klear seconded. The vote was unanimous. **8-yes (Harris, Boatwright, Hobson, Horney, Klear, Murray, Napolitano, and Walker); 0-no.**

Election of Vice Chairman

As Dr. Harris ascended to the chairmanship due to the unexpected resignation of Dr. Voogt at the June meeting, Dr. Harris opened the floor to accept nominations for Vice Chairman. Ms. Horney nominated Dr. Murray and Ms. Hobson seconded. Hearing no other nominations, Dr. Harris asked that nominations be closed. The vote to elect Dr. Murray as Vice Chairman was **7-yes (Harris, Boatwright, Hobson, Horney, Klear, Napolitano, and Walker); 0-no.**

UPDATE ON DMAS BUDGET REDUCTIONS AND STIMULUS UPDATE

Mr. Scott Crawford, Deputy Director of Finance and Administration, presented the impact on DMAS' budget and on the Medicaid program, of the recent action by Congress to extend the stimulus funding. Under federal legislation adopted in 2009, states received an increased federal match rate effective from October 2008 through December 2010. Recent federal action, which became law on August 10, 2010, extended that increased match rate (the "stimulus") through June 2011, but at a reduced rate.

Mr. Crawford explained that the 2010 General Assembly passed a budget with numerous cuts in the Medicaid program, but provided that some of those cuts would be reversed if the stimulus were extended. The General Assembly also authorized the Governor to amend the extent of restoration of individual cuts, if necessary to ensure the restorations do not spend more than the stimulus amount available. Complicating this further, federal health reform legislation prohibited certain types of cuts, although this was not understood at the time the General Assembly passed the 2010 Appropriation Act.

Mr. Crawford reported that, because the stimulus was not extended prior to July 1, 2010, cuts in provider rates were implemented July 1, 2010. Fortunately, the cuts that were blocked by health reform legislation were not scheduled to be effective until January 1, 2011.

Mr. Crawford explained that because 1) the extension occurred later than expected, 2) some cuts were blocked by federal law, 3) the extension was at a reduced amount, the following decisions were made.

- Federally mandated restorations were fully restored for the entire biennium.
- Other cuts identified for restoration were restored from October 1, 2010 through June 30, 2011 only. Barring other action in the 2011 Session, the cuts return in the second year.
- One contingent item that was not a cut called for adding 250 ID waiver slots if the stimulus were extended. These waiver slots will be added October 1, 2011.

NATIONAL HEALTH CARE REFORM UPDATE – IMPACT ON MEDICAID AND VIRGINIA

Dr. Pane presented a brief overview of national health care reform and where Virginia's program is headed. Specifically, he noted that one of the big challenges with health reform is the tremendous enrollment expansion and that our efforts need to be around innovating in our top populations like mental health, long-term care, and behavioral health to provide quality and value, efficiency, monitor for fraud and abuse, and provide better customer service.

Then, Dr. Pane elaborated on examples of reforms implemented and on-going in Virginia to include reforms aimed at quality improvement and improving those scores, fraud and abuse detection, service delivery and expanding managed care, and cost avoidance in managing a responsible program.

Lastly, Dr. Pane reviewed the estimate of the preliminary fiscal impact of expansion costs and potential net savings to the Commonwealth on Medicaid/CHIP.

SMILES FOR CHILDREN UPDATE

Daniel Plain, Smiles for Children Program Manager, presented an update on the Smiles for Children program. Mr. Plain reported that in FY2010, 43% of all eligible children actually received dental services; over 23% of Virginia dentists are participating; the provider network has experienced a 132% increase since the program started; and over 80% of participating providers are billing for services. The Smiles for Children program has been identified as one of the top eight performing Medicaid dental programs in the country.

MAXIMUM ENROLLMENT GRANT OVERVIEW AND UPDATES

Leah Walker, Grant Manager for the Maximizing Enrollment for Kids Program, presented on an initiative of the Robert Wood Johnson Foundation aimed at increasing enrollment and retention of eligible children in Medicaid and CHIP by helping states streamline their systems and to measure the impact of these changes. On September 21, Dr. Hazel is scheduled to unveil the

new enhancements to the online application and renewal processes for Virginia's child health insurance program, known as FAMIS at the Children's Museum.

OLD BUSINESS

None.

Regulatory Activity Summary

The Regulatory Activity Summary is included in the Members' books to review at their convenience.

New Business

Adjournment

Having no other business, Dr. Harris moved that the meeting be adjourned, and Ms. Klear seconded. The vote was **8-yes (Harris, Boatwright, Hobson, Horney, Klear, Murray, Napolitano, and Walker); 0-no**. Dr. Harris thanked everyone for attending and adjourned the meeting at 12:04 p.m.